



Date: December 8, 2008
To: City Manager for Council Action
From: John C. Roukema, Director of Electric Utility
Subject: Approval of Legal Services Agreement with Duncan, Weinberg, Genzer & Pembroke, P.C., for Legal Services to Support the Electric Utility

EXECUTIVE SUMMARY:

The law firm of Duncan, Weinberg, Genzer & Pembroke, P.C. (Duncan, Weinberg) is currently providing legal services for the City of Santa Clara, related to contracts, tariffs and regulatory issues regulated by the Federal Energy Regulatory Commission (FERC) as well as general advisory work in support of Silicon Valley Power, the City's Electric Utility. They have achieved outstanding results in the settlement of the scheduling coordination dispute with Pacific Gas & Electric Company, and in protecting the City's interest through the modification of agreements to accommodate the California Independent System Operator's Market Redesign and Technology Update scheduled for implementation in 2009. Duncan, Weinberg employs attorneys with special expertise in these matters, and who have provided legal services to the City for many years. The City has enjoyed a positive relationship with Duncan, Weinberg as they have successfully represented the City's interests in numerous legal matters at a reduced fee, taking into consideration the budget constraints of municipalities. A copy of the Duncan, Weinberg, Genzer & Pembroke, P.C. Legal Service Agreement is available for review in the Council Offices.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

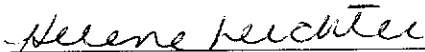
Duncan, Weinberg will continue to provide legal services to assist the City and Silicon Valley Power, directed by the City Attorney, in a legal advisory capacity and by the City Manager, in a management and policy oversight capacity. The continued legal services performed by Duncan, Weinberg will provide the City with the specialized legal support it needs regarding federally regulated transmission and power supply issues, generally related to delivery of energy to the City. The law firm's services are provided at a competitive billing rate.

ECONOMIC/FISCAL IMPACT:

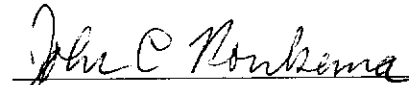
This Legal Services Agreement has a not-to-exceed amount of one million dollars per fiscal year, subject to budgetary appropriations. There are sufficient funds available in Electric Department Contractual Services, Not Classified [account 091-1358-87870-(F)92300].

RECOMMENDATION:

That the Council approve, and authorize the City Manager to execute, the Legal Services Agreement with Duncan, Weinberg, Genzer & Pembroke, P.C., in an amount not to exceed \$1,000,000.00 per fiscal year, subject to budgetary appropriations, for legal services to support the Electric Utility.




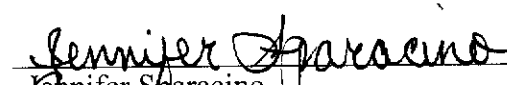
Helene L. Leichter
City Attorney



John C. Roukema
Director of Electric Utility

APPROVED:

Certified as to Availability of Funds 
091-1358-87870 \$1,000,000.00



Jennifer Sparacino
City Manager



Mary Ann Parrot
Director of Finance

MAJORITY VOTE OF COUNCIL

Documents Related to this Report:

- 1) Legal Services Agreement with Duncan, Weinberg, Genzer & Pembroke, P.C.***

**LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND
DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.**

PREAMBLE

This legal services agreement ("Agreement") is made and entered into on this _____ day of _____, 2008 (the "Effective Date") by and between the City of Santa Clara, California, a chartered California municipal corporation ("City"), with its principal place of business located at 1500 Warburton Avenue, Santa Clara, CA 95050 and Duncan, Weinberg, Genzer & Pembroke, P.C., a professional corporation comprised of attorneys licensed to practice law in the State of California ("Firm") with its principal place of business located at 1615 M Street, N.W., Washington, D.C. 20036. City and Firm may be referred to herein individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. City desires to secure professional services more fully described in this Agreement; and,
- B. Firm represents that it, and its sub-consultants, if any, have the professional qualifications, expertise, necessary licenses and desire to provide legal services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT PROVISIONS

1. RETENTION OF FIRM.

- A. City hereby confirms, retains and authorizes Firm to represent City and provide legal services as may be requested, from time to time, orally or in writing, by authorized representatives of City on an as-needed basis. By this Agreement, City is retaining Firm and not individual members of the Firm. Firm's client is the City, as a public entity, and not any of its individual members, groups of individuals or any other entity. Firm shall report to and receive direction from the City Council or the City Attorney.
- B. Firm shall perform such legal services for and on behalf of City under the primary direction of the City Attorney. Firm shall undertake, subject to approval of Firm, such additional duties as may be authorized by City from time to time under the terms and conditions of this Agreement.

2. DESCRIPTION OF SERVICES TO BE PROVIDED.

Legal services are to be provided to City by Firm as directed by the City Attorney. Such services may include, but are not limited to, providing advice and counsel on legal matters affecting City, performing legal research, representing City in judicial proceedings in state and/or federal court or other dispute resolution tribunals or before administrative agencies, negotiating contracts and drafting contracts, correspondence, resolutions and other legal documents as may become necessary. Such services shall also include the preparation and delivery of status reports to City as specified in paragraph 9 of this Agreement.

3. COMMENCEMENT OF WORK.

Firm shall begin performing legal services under this Agreement when directed to do so by the City Attorney and shall complete said services within the time limits mutually determined to be acceptable by Firm and City.

4. ASSIGNMENT OF DUTIES.

It is contemplated that no other attorney will be assigned from Firm other than those set forth on Exhibit A. It is agreed by and between the Parties that should it be desirable for any attorney other than those set forth on Exhibit A to work under this Agreement, such attorney may only be added with the express oral consent of City. Should any associate in the Firm be assigned any task under this Agreement which exceeds three (3) billable hours per month, the assignment of such associate should be approved orally by City.

5. PUBLIC FUNDING.

Firm and City mutually recognize that Firm's services under this Agreement are being paid for with tax dollars from citizens and taxpayers of the City of Santa Clara, California, and that, given this fact, a heightened duty of care exists in both Firm and City to ensure that Firm scrupulously adheres to principles of moderation, frugality and cost consciousness in carrying forth the goals of this Agreement. Firm and each of its attorneys pledge themselves to scrupulously observe a duty of reasonableness and cost effective representation in all aspects of this Agreement and to carry forth the ends of achieving the goals set forth herein while entailing the expenditure of only a reasonable sum for Firm's representation under this Agreement.

6. PAYMENT FOR SERVICE.

In consideration for Firm's performance of legal services on behalf of City under the terms of this Agreement, and upon review and approval of Firm's bill by the City Attorney, Firm shall be compensated at the preapproved hourly rates and for authorized expenses as set forth in Exhibit A entitled "Scope of Work and Schedule of Fees and Charges," attached hereto and incorporated by this reference. Fees for services performed by retained consultants, subcontractors, experts or other personnel may be billed to City only if approved in writing by the City Attorney.

7. BILLING INVOICES.

Firm shall, within fifteen (15) days after the end of each calendar month in which services are performed under this Agreement, submit to the City an itemized bill, describing the specific services performed as set forth in this Agreement. The Firm shall adhere to the billing procedures set forth in Exhibit B entitled "Protocols and Guidelines," attached hereto and incorporated by this reference. The bill shall be submitted to:

City Attorney's Office
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

8. PERSONNEL BILLING.

Firm shall scrupulously examine all bills submitted for services rendered under this Agreement to assure that appropriate billing judgment is employed in billing City for service hereunder. Firm shall not bill for hours other than those hours expressly devoted to the tasks approved in advance by the City Attorney. Firm agrees it will not bill for time which is not specifically devoted to said task(s). Firm shall not use legal professionals for secretarial work and under no circumstances shall Firm have lawyers billing for making copies, scheduling appointments or taking care of matters or work which would otherwise be work performed by a law clerk or secretary. The billing format utilized to provide bills shall be set forth in the required detailed format which readily permits the full scrutiny by any City retained auditors.

9. STATUS REPORTS.

Firm shall, within fifteen (15) days of each calendar quarter thereafter, submit to City a written report setting forth a summary of activities performed on behalf of City during the preceding calendar quarter, the current status of each pending matter or proceeding, results obtained or expected to be obtained, a summary of invoices for the preceding quarter and such other information relating to the services rendered as City may reasonably request. See Billing Protocol/Guidelines, Exhibit B for additional reporting requirements.

10. TERMINATION.

This Agreement shall terminate no later than three (3) years from the Effective Date. Either Party may terminate this Agreement prior to the terminate date by providing written notice to the other. Any termination hereunder shall become effective upon receipt of written notice of termination; provided, however, that Firm may exercise its right of termination only to the extent and under terms and conditions consistent with the obligations of Firm under the Rules of Professional Conduct of the State Bar of California; and provided, further, that in the event of termination, the amount due Firm for services rendered and costs and expenses incurred prior to termination shall remain due and payable. The City Attorney may exercise the power of City to terminate this

Agreement without prior City Council approval. Upon the written request of the City Attorney, Firm agrees to turn over to any attorney substituted in its place, the entire file and attorney work product regarding any such matter within seven (7) days of any such termination.

11. CONFLICTS OF INTEREST.

At the beginning of each month during the term of the Agreement, Firm shall make a good faith effort to identify and shall apprise City of those possible conflicts of interest which could affect Firm's duties to City or to the City Attorney under the California Rules of Professional Responsibility, or Firm's performance of the responsibilities reposed in Firm under this Agreement, or which Firm reasonably believes are likely to affect future transactions by and between City and third parties. City retains those rights with respect to future conflicts as are vested in a traditional client under the California Rules of Professional Responsibility, and may terminate Firm's services and withhold consent to such conflicts of interest under the California Rules of Professional Responsibility which City deems in good faith not to be in the City's best interest.

12. ASSIGNMENTS AND SUCCESSORS IN INTEREST.

City and Firm bind themselves, their partners, successors, assigns, executors and administrators to the terms of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for in this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of the City Attorney.

13. INDEPENDENT CONTRACTOR.

In performing work required under this Agreement, Firm is not an agent nor employee of City but an independent contractor. Firm shall at all times act as an independent contractor with respect to the performance of this Agreement, with full rights to manage its employees subject to the requirements of the law. Neither Firm nor any employees or agents of Firm shall be considered an employee of City for any purpose.

14. RECORDS AND DOCUMENTATION.

Firm shall maintain complete and accurate records of the services provided to City and expenses incurred on behalf of City. Firm agrees to assist City in meeting City's reporting requirements to other agencies with respect to Firm's work under this Agreement. All records, reports and documentation relating to the work performed under this Agreement shall be made available to City during the term of this Agreement, and for a period of six (6) years after termination of the Agreement.

15. FAIR EMPLOYMENT.

Firm shall not discriminate against any employee or applicant for employment in hiring, promotion or unlawfully discharge, on the basis of race, color, creed, national origin, gender, sexual orientation, age, disability, religion, ethnic background, or marital status, in violation of state or federal law. In the State of California this requirement is an ethical

obligation of attorneys in the management of their Firms. [Rules of Professional Conduct Section 2-400 (c).]

16. HOLD HARMLESS/INDEMNIFICATION.

To the extent permitted by law, Firm shall indemnify protect, defend, and hold harmless City, its City Council, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and reasonable attorney's fees in providing a defense to any claim, arising from Firm's negligent, reckless or wrongful acts, errors, or omissions with respect to or in any way connected with the performance of the work by Firm, its agents, subcontractors and/or assigns under to this Agreement.

17. INSURANCE REQUIREMENTS.

Firm shall maintain in full force and effect the following insurance policies:

- A. Commercial general liability policy (bodily injury and property damage);
- B. Worker's compensation/employer's liability policy;
- C. Business automobile liability insurance policy; and,
- D. Professional liability policy.

Said policies shall be maintained with respect to employees and vehicles assigned to the performance of work under this Agreement with coverage amounts, endorsements, certificates of insurance and coverage verifications as set forth in Exhibit C, entitled "Insurance Requirements," attached and incorporated by this reference.

18. CONFIDENTIALITY AND DISCLOSURE.

The data, information and reports acquired or prepared by Firm in connection with matters upon which the City has retained Firm shall not be shown or distributed to any other public or private person or entity except as authorized by the City Attorney and in no event prior to having been first disclosed to the City Attorney. All information, documents, records, reports, data or other materials furnished by City to Firm or other such information, documents, records, data or other materials to which the Firm has access during its performance pursuant to this Agreement are deemed confidential and shall remain the property of City. Firm shall not make oral or written disclosure of such documents or materials, other than as necessary for its performance under this Agreement, without the prior written approval of the City Attorney.

19. AMENDMENTS.

This Agreement, including any Exhibits attached to it, represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may be modified only by a written amendment duly executed by the Parties to

this Agreement. All Agreements with City are subject to approval of the City Council before City shall be bound thereby.

20. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties. No third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

21. NOTICES.

All notices, invoices, reports or other communication to the Parties shall be properly given if delivered in person or sent by First Class mail, facsimile or overnight delivery and addressed as follows:

Santa Clara City Attorney's Office
1500 Warburton Avenue
Santa Clara, CA 95050
Fax Number: (408) 249-7846

And to Firm addressed as follows:

Duncan, Weinberg, Genzer & Pembroke, P.C.
1615 M Street, N.W.
Washington, D.C. 20036
Fax Number: (202) ~~457~~-6379

467-6379 *WGS*

Either Party may change its address for receipt of notices under this Agreement by notice given in the manner provided herein.

22. LAW GOVERNING AGREEMENT.

This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California.

23. INVALID PROVISIONS.

If any provision of this Agreement is held to be illegal, invalid or unenforceable, in full or in part, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid and enforceable, and the other provisions of this Agreement shall not be affected thereby.

24. LICENSE REQUIREMENTS.

Firm shall demonstrate that the attorney(s) who provide legal services to City under this Agreement are licensed to practice law in the State of California and, if not, indicate to the satisfaction of the City Attorney why such license is not required to perform the services required.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date first set forth above.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

HELENE L. LEICHTER
City Attorney

ATTEST:

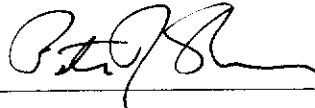
ROD DIRIDON, JR.
City Clerk

JENNIFER SPARACINO
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

DUNCAN WEINBERG, GENZER & PRMBROKE, P.C.

By: _____



Name: PETER J. SCANLON

Title: Shareholder

Address: 1615 M Street, N.W.

Suite 800

Washington, D.C. 20036

Telephone (202) 467-6370

Fax: (202) 467-6379

\\DATA\WP\AGREEMENT.F-M\LEGAL SERVICE AGREEMENTS\Duncan Weinberg Sept 08.doc

**LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND
DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.**

EXHIBIT A

SCOPE OF WORK AND SCHEDULE OF FEES AND CHARGES

SCOPE OF WORK.

The scope of the engagement is to assist City as requested by the City Council and administered by the City Attorney.

SCHEDULE OF FEES AND CHARGES.

A. Billable Rates

The Firm shall bill its time by the hour at the hourly billable rate assigned to each attorney. The Firm shall bill City for its services at its current hourly rates, which range from \$260.00 to \$345.00 per hour for attorney time, \$200.00 per hour for non-attorney staff time, and from \$120.00 to \$155.00 per hour for paralegal time. A review of hourly rates may be conducted annually and adjustments may be made so long as the rates fall within the range set forth in this Agreement.

It is anticipated that most of the legal work provided under this Agreement shall be performed by the following attorneys at the designated hourly billing rates:

Peter J. Scanlon	\$345.00 per hour
Lisa S. Gast	\$345.00 per hour
Sean M. Neal	\$320.00 per hour
Eli D. Eilbott	\$320.00 per hour
Derek A. Dyson	\$320.00 per hour
Bhaveeta A. Mody	\$320.00 per hour
Kristen Connolly McCullough	\$260.00 per hour
Seth T. Lucia	\$260.00 per hour
Joshua E. Adrian	\$260.00 per hour
Matthew R. Rudolphi	\$260.00 per hour
Jason T. Gray	\$260.00 per hour

Other attorneys from Firm may also work on City projects with prior approval of the City Attorney. Hourly rates charged by Firm for such attorneys shall be approved in advance by the City Attorney.

Notice of any proposed increase in the approved hourly rates for services rendered under this Agreement will be given to City in writing no later than thirty (30) days prior to the effective

date of subject increase. No proposed increase will become effective if, prior to its effective date, City notifies Firm in writing of objections thereto. In the event a timely notice of objection to any proposed increase is given, Firm and City shall attempt to reach agreement concerning future hourly rates. If agreement is reached, the rates agreed upon shall be applicable as of the date agreed upon. In the event that after a reasonable period the parties are unable to reach agreement, either party may advise the other in writing that this Agreement is terminated.

Firm will be reimbursed for all out-of-pocket costs and expenses actually incurred by Firm in the above-described representation of City. Reimbursable out-of-pocket expenses include, but are not limited to, all travel expenses, (i.e., local travel including taxis), lodging, long distance telephone calls, reproduction and printing costs, postage, filing fees, word processing costs paid to third parties after prior City approval, transcript costs, staff (non-attorney) overtime after prior City approval and notary fees, to the extent that any such costs are incurred on behalf of City.

B. Maximum Not to Exceed Contract Amount.

In no event shall the total amount paid to the Firm for services, including all fees, cost and/or expenses, under this Agreement exceed one million dollars (\$1,000,000.00) per fiscal year, subject to budgetary appropriations.

**LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND
DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.**

EXHIBIT B

BILLING PROTOCOL/GUIDELINES

The City of Santa Clara ("City") has adopted the following billing protocol. The Firm will be required to comply with this protocol. If you have questions concerning it, please contact the City Attorney for clarification. In the event you wish to negotiate changes due to the internal operation of your Firm, please raise them in writing as soon as possible. Any changes to this protocol will need prior, written approval from the City Attorney. In the interest of fairness, all special counsel are required to comply with this protocol. This protocol is also to be used in conjunction with any new proposal for services.

These billing guidelines are instituted to ensure that Firm's bills convey the information necessary to manage outside litigation. Also, because these guidelines are set out in advance, they are designed to minimize any confusion or misunderstanding. Compliance with these guidelines should enhance the attorney-client relationship. If you have any comments or suggestions that could improve this system, please feel free to contact the City Attorney at the above-listed address.

1. All cases shall be billed monthly pursuant to paragraph 7 of this Agreement.
2. The fee portion of each invoice shall include the amount, date work was performed, the amount of time expended, rate per hour and a brief description of the services rendered as a basis for fee calculation, or other method of determining the fees. The invoice shall include a description of the services provided and the time charged by each legal professional. All tasks set forth in Firm's billing documentation shall be specific and detailed. Overly generalized listings of task descriptions such as "review contract" or "prepare for negotiations" are not acceptable.
3. Billings under this Agreement shall not be provided in more than six (6) minute increments and shall represent the devotion of a full six minutes before an increment is billed. Under no circumstances shall Firm use "block billing" procedures, wherein a list or series of activities is done each day with only an aggregate amount of time specified.
4. Firm shall not double staff with respect to any task unless the express oral consent of the City Attorney is first obtained to do so.
5. The cost and expense portion of the invoice shall clearly identify the nature and amount and any other cost(s) billed to City must be separately itemized with prior

written approval of the City Attorney. Any experts or other contractors contracted by Firm on behalf of City whose charges are billed through the Firm must also provide such billing itemization and such billing shall be attached to the billing provided to City by Firm. Professional fees and expenses invoiced to City shall be due and payable within thirty (30) days after receipt of Firm's statement.

6. In support of payment for such bill, Firm shall furnish payroll records, bills, invoices, receipts or other evidence of reimbursable expenses incurred as reasonably requested by the City Attorney. City reserves the right to require additional substantiation of any item of claimed expense.
7. In addition to the requirements for status reports in paragraph 9 of this Agreement, if a City case is involved in active litigation, more frequent reporting is required. For such cases, the primary attorney shall prepare a brief summary of activity on each case on a monthly basis. After the first monthly summary is sent, you may copy the prior month's summary with an indication in the last few sentences at the end of each summary of any relevant changes during the month. This summary shall be provided by the seventh (7th) day of each new month. The attorney shall not charge more than one hour per case for this summary without prior City Attorney approval. Normally less than one hour will be required.
8. A different case number/identifier shall be adopted for each individual matter assigned to Firm to facilitate tracking individual cases, or advisory matters. General accounts are not acceptable to City without prior approval. That is, unless it is prearranged, a general account is not to be opened. In the event that a general account is approved, a separate case number/identifier should still be used if a matter exceeds five (5) billable hours.
9. Each month's bill should include the total billable hours and expenses to date for each litigation matter. That total should provide, at a glance, the total fees and costs incurred to date for the specific case. This will facilitate City's approach of cost-effective management of cases. The advantage of listing this total on the monthly bills is that it provides immediate information on how much City has spent on a case, thus far. (Simply stated, this should assist in avoiding a situation of spending \$40,000 in legal fees on cases where only \$20,000 is at stake.) If the totals cannot be produced by your computerized billing system, please provide them with the billing under separate cover, listing totals to date. If totals to date are not provided, the bills will not be paid and will be returned to you.
10. The attorney-client relationship is a personal one. Firm was hired for the individual skills and experience of its attorneys. City may authorize one other individual, usually an associate, to help handle its cases, but only with the City Attorney's prior permission. Please inform the City Attorney who that person will be and his/her qualifications. City does not anticipate that any other attorney will bill on this account without prior approval. If an urgent issue arises or a court appearance needs to be covered, please call the City Attorney to inform City prior

to making arrangements for another attorney to cover for the authorized primary attorney.

11. As a follow-up to the previous point, City will not pay for new attorneys to "get up to speed" on a file unless it has been preapproved.
12. City encourages the use of paralegals for any task that can be delegated. However, similar to attorneys, no more than two paralegals (but preferably one) should work on each case without the City Attorney's prior approval.
13. For each approval requested, you may contact the Assistant City Attorney if the City Attorney is unavailable.
14. Law clerks present a unique situation. City recognizes Firm's need to train new associates; however, as a public entity, City cannot afford to pay for training. Law clerks can be used, with prior approval, and only when it will be beneficial or cost-effective for City.
15. Costs related to legal services and litigation can easily spiral out of control. City needs to know Firm's photocopying charges on a per-copy basis. The maximum charge is twenty-five cents (\$.25), noting that actual costs are usually one-half of that amount. City encourages Firm to use outside copying services, when possible, if the cost of doing so is less than what Firm would charge.
16. City needs to know Firm's incoming and outgoing fax charges. Fax charges should be one dollar (\$1.00) or less per fax (many firms charge fifty cents (\$.50) per fax). This should not be a profit center for Firm. Unless there is an urgent need that a document be delivered immediately, please use the United States Postal Service or a courier service if it would be less expensive than faxing via your system.
17. Messenger and other charges in excess of actual costs are not permitted. City does not allow cost, plus a percentage, for actual outside costs.
18. Administrative charges are a difficult issue. Generally, City does not pay them. If there is a valid explanation and other items are not charged, City will consider paying for them. However, this should be negotiated in advance.
19. As City often uses firms that are outside of the nearest metropolitan area, the City Council is very conscious of travel costs. Usually Firm will be held to charging no more than a local firm from the nearest metropolitan area would charge to travel to a deposition, court appearance or City Council meeting. This is subject to negotiation depending upon special circumstances.
20. City does not allow "double billing" of any sort. If Firm is working on another client's matter, do not bill City for that time. This applies to travel time or any other matter.

21. City does not pay two attorneys to discuss its case. City recognizes the need for such discussion; however, only one of the attorneys should bill for the time. Again, training time is not billable.
22. Telephone, cellular telephone and postage charges are billable at actual cost.
23. Meals are not billable to City without prior authorization.
24. Expert witness fees are not automatically authorized. Firm will need to clear each expert witness with the City Attorney. City encourages the use of experts whenever necessary; therefore, do not consider this as a warning against retention of experts. The City Attorney must be kept aware of the need for expert witnesses and their qualifications.
25. Professional Liability insurance is required to be in force at all times. Firm shall maintain at least the insurance coverage set forth in Exhibit C at all times.
26. Most work for City is done on a not-to-exceed basis. The not-to-exceed figure that Firm is provided is considered as contractual material terms binding upon Firm. The not-to-exceed figure may not be increased without prior approval by the City Attorney. Usually this approval must be obtained directly from the City Council, as it generally exceeds the authority of the City Attorney or City Manager.
27. If Firm is provided with a new case directly from City staff; or if a matter arises that requires Firm to open a new file, the City Attorney should be informed immediately.
28. City attempts to process Firm's bills as quickly as possible. If Firm complies with City's format requested, City can expedite processing.
29. Each litigation matter should have a separate budget. The budget should be preapproved by the City Attorney. Generally, it should be divided into discovery and motion sections. City does not require a trial budget up front. However, a trial budget should be prepared at least one month before trial.
30. Generally, the City Attorney will rely upon Firm for guidance on litigation strategy. Nonetheless, prior approval from the City Attorney is necessary for demurrers, motions for summary judgment and discovery motions.
31. City expects that Firm will resolve all discovery disputes without court intervention. If this is impossible due to the conduct of others, please inform the City Attorney immediately. City's intent is to have discovery be fair and open with the money spent on reviewing relevant items that are discovered, not on discovery battles.
32. City is settlement-oriented. With rare exceptions, every case has a settlement value. Each monthly summary should outline attempts at settlement, if the City

has not provided Firm with authority, please ask opposing counsel for a settlement number and present it to the City Attorney.

33. Bills should list the names of each attorney or paralegal working on the matter. Each entry should delineate who has performed the work via initials or some other method of identification.
34. City's Finance Department will send a request for an auditor response letter annually. Please respond to these requests promptly. The response should not take longer than 2.5 hours per case, although usually not more than one hour is required. In complicated cases where more than 2.5 hours is required, please contact the City Attorney before drafting your response.
35. City does not pay for secretarial time or secretarial overtime. City does not pay attorneys or paralegals for secretarial tasks or tasks that should be included in Firm's overhead. For example, faxing, mailing, arranging for messengers and calendaring are not acceptable charges.
36. City does not pay for word processing charges. This includes per page or hourly charges.
37. City does not pay for billing or discussion of bills. If City has questions about billing or needs additional information on a bill that is not a chargeable event, Firm should respond without charging City for the time required to respond to City's inquiry.
38. The practice of charging minimum billing charges is unacceptable. Please charge for actual time spent. For example, a minimum of .2 for phone calls or .4 for letters is unreasonable unless it is an accurate measure of time spent.
39. Do not charge for file opening or file closing. These are not true legal services, tasks or adequate descriptions of legal activities.
40. Provide full descriptions of legal tasks performed. This will help the City Attorney follow case development and understand Firm's strategy.
41. Please provide copies of all written research prepared on City's cases or matters. Firm's research can help the City in similar matters.
42. Please provide copies of all motions or briefs which are filed related to City's matter. Unless previously requested, Firm does not need to send drafts or miscellaneous correspondence. Copies of significant pieces of correspondence should be provided to City.
43. City appreciates when Firm has researched an issue previously and uses that research on present cases. City has retained Firm because of the past experience of its attorneys. Do not charge City for work Firm has done and billed another client for in the past. This also applies to forms.

44. Billing entries should be by date and task. For example, if four distinct tasks were performed on a file in one day, each task should be billed separately with an individual time charge for each task.
45. City expects early and frequent evaluation of its cases. If the likelihood of success on a particular case is low, City wants to know up front in order to minimize litigation costs and make reasonable attempts to settle the case. City does not want to be informed of the low probability of success on the eve of trial. Firm is not expected to be a guarantor of success or an insurer. City only asks for Firm's best estimate.
46. "Penny-wise and pound-foolish" is not City's approach. Cost-effective representation is. If Firm feels restricted by this protocol, please raise the issue as soon as possible. City's concern is to bring the matter to a fair and equitable solution.

**LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND
DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.**

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting the Firm's indemnification of the City, and prior to commencing any of the services required under this Agreement, the Firm shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:
 - a. \$1,000,000 Each Occurrence
 - b. \$1,000,000 General Aggregate
 - c. \$1,000,000 Products/Completed Operations Aggregate
 - d. \$1,000,000 Personal Injury
2. Exact structure and layering of the coverage shall be left to the discretion of Firm; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Firm to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another;
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of one million dollars (\$1,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.

2. The indemnification and hold harmless obligations of Firm included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Firm or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).

3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. PROFESSIONAL LIABILITY

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than two million dollars (\$2,000,000) per occurrence/aggregate. Any coverage containing a deductible or self-retention must first be approved in writing by the City Attorney's Office.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Firm's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy provided by Firm shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Firm's insurance.

3. Cancellation.

a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Firm and City agree as follows:

1. Firm agrees to ensure that subcontractors, and any other party involved with the performance of Services, who is brought onto or involved in the performance of the Services by Firm, provide the same minimum insurance coverage required of Firm, except as with respect to limits Firm agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Firm agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Firm agrees to be responsible for ensuring that no contract used by any party involved in any way with the Services reserves the right to charge City or Firm for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Firm in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Firm and each and every subcontractor (of every tier) shall, at its sole cost and expense, purchase and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Firm shall file with the City, or its designated representative as set forth below, all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Firm or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its designated representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Firm shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be delivered to:

City of Santa Clara City Attorney's Office
c/o Insurance Data Services - Insurance Compliance
P.O. 12010-S2 (or, if by courier) 151 North Lyon Avenue
Hemet, CA 92546-8010 Hemet, CA 92543

Telephone: (951) 766-2280
Fax: (951) 766-2299

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Firm shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

**LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND
DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.**

EXHIBIT D

**ETHICAL STANDARDS FOR CONTRACTORS SEEKING TO ENTER INTO
AN AGREEMENT WITH THE CITY OF SANTA CLARA, CALIFORNIA**

Termination of Agreement for Certain Acts.

- A. The City may, at its sole discretion, terminate this Agreement in the event any one or more of the following occurs:
1. If a Contractor¹ does any of the following:
 - a. Is convicted² of operating a business in violation of any Federal, State or local law or regulation;
 - b. Is convicted of a crime punishable as a felony involving dishonesty³;
 - c. Is convicted of an offense involving dishonesty or is convicted of fraud or a criminal offense in connection with: (1) obtaining; (2) attempting to obtain; or, (3) performing a public contract or subcontract;
 - d. Is convicted of any offense which indicates a lack of business integrity or business honesty which seriously and directly affects the present responsibility of a City contractor or subcontractor; and/or,
 - e. Made (or makes) any false statement(s) or representation(s) with respect to this Agreement.

¹ For purposes of this Agreement, the word "Consultant" (whether a person or a legal entity) also refers to "Contractor" and means any of the following: an owner or co-owner of a sole proprietorship; a person who controls or who has the power to control a business entity; a general partner of a partnership; a principal in a joint venture; or a primary corporate stockholder [i.e., a person who owns more than ten percent (10%) of the outstanding stock of a corporation] and who is active in the day to day operations of that corporation.

² For purposes of this Agreement, the words "convicted" or "conviction" mean a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere within the past five (5) years.

³ As used herein, "dishonesty" includes, but is not limited to, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, failure to pay tax obligations, receiving stolen property, collusion or conspiracy.

2. If fraudulent, criminal or other seriously improper conduct of any officer, director, shareholder, partner, employee or other individual associated with the Contractor can be imputed to the Contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the Contractor, with the Contractor's knowledge, approval or acquiescence, the Contractor's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval or acquiescence.
- B. The City may also terminate this Agreement in the event any one or more of the following occurs:
1. The City determines that Contractor no longer has the financial capability⁴ or business experience⁵ to perform the terms of, or operate under, this Agreement; or,
 2. If City determines that the Contractor fails to submit information, or submits false information, which is required to perform or be awarded a contract with City, including, but not limited to, Contractor's failure to maintain a required State issued license, failure to obtain a City business license (if applicable) or failure to purchase and maintain bonds and/or insurance policies required under this Agreement.
- C. In the event a prospective Contractor (or bidder) is ruled ineligible (debarred) to participate in a contract award process or a contract is terminated pursuant to these provisions, Contractor may appeal the City's action to the City Council by filing a written request with the City Clerk within ten (10) days of the notice given by City to have the matter heard. The matter will be heard within thirty (30) days of the filing of the appeal request with the City Clerk. The Contractor will have the burden of proof on the appeal. The Contractor shall have the opportunity to present evidence, both oral and documentary, and argument.

⁴ Contractor becomes insolvent, transfers assets in fraud of creditors, makes an assignment for the benefit of creditors, files a petition under any section or chapter of the federal Bankruptcy Code (11 U.S.C.), as amended, or under any similar law or statute of the United States or any state thereof, is adjudged bankrupt or insolvent in proceedings under such laws, or a receiver or trustee is appointed for all or substantially all of the assets of Contractor.

⁵ Loss of personnel deemed essential by the City for the successful performance of the obligations of the Contractor to the City.

**LEGAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND
DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.**

EXHIBIT E

AFFIDAVIT OF COMPLIANCE WITH ETHICAL STANDARDS

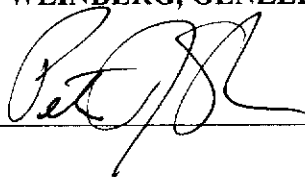
I, Peter J. Scanlon, being first duly sworn, depose and state I am a Shareholder of Duncan, Weinberg, Genzer & Pembroke, P.C., and I hereby state that I have read and understand the language, entitled "Ethical Standards" set forth in Exhibit D. I have the authority to make these representations on my own behalf or on behalf of the legal entity identified herein. I have examined appropriate business records, and I have made appropriate inquiry of those individuals potentially included within the definition of "Contractor" contained in Ethical Standards at footnote 1.

Based on my review of the appropriate documents and my good-faith review of the necessary inquiry responses, I hereby state that neither the business entity nor any individual(s) belonging to said "Contractor" category [i.e., owner or co-owner of a sole proprietorship, general partner, person who controls or has power to control a business entity, etc.] has been convicted of any one or more of the crimes identified in the Ethical Standards within the past five (5) years.

The above assertions are true and correct and are made under penalty of perjury under the laws of the State of California.

DUNCAN, WEINBERG, GENZER & PEMBROKE, P.C.

By: _____



Name: Peter J. Scanlon

Title: Shareholder

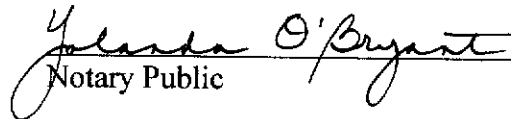
NOTARY'S ACKNOWLEDGMENT TO BE ATTACHED

Please execute the affidavit and attach a notary public's acknowledgment of execution of the affidavit by the signatory. If the affidavit is on behalf of a corporation, partnership, or other legal entity, the entity's complete legal name and the title of the person signing on behalf of the legal entity shall appear above. Written evidence of the authority of the person executing this affidavit on behalf of a corporation, partnership, joint venture, or any other legal entity, other than a sole proprietorship, shall be attached.

CERTIFICATE OF ACKNOWLEDGMENT

District of Columbia, ss:

I, Yolanda O'Bryant, a Notary Public in and for the District of Columbia, acknowledge that the foregoing document, Affidavit of Compliance with Ethical Standards, was subscribed to before me by Peter J. Scanlon, a Shareholder of Duncan, Weinberg, Genzer & Pembroke, P.C., on this 13th day of November, 2008.


Notary Public

My Commission expires: February 14, 2011.

CITY OF SANTA CLARA
AGENDA MATERIAL ROUTE SHEET

Council Date: January 13, 2009

SUBJECT: Approval of Legal Services Agreement with Duncan, Weinberg, Genzer & Pembroke, PC for
Legal Services to Support the Electric Utility

CERTIFICATION

The proposed Legal Services Agreement with Duncan, Weinberg, Genzer & Pembroke, PC

Regarding: Legal Services to Support the Electric Utility

has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published ____ time(s) at least ____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 2008.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:

Title _____ U.S.C. § _____
(Titles run 1 through 50)

California Codes:

Code _____ § _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:

Title _____ C.F.R. § _____
(Titles run 1 through 50)

California Regulations:

Title _____ California Code of Regulations § _____
(Titles run 1 through 28)

City
City Charter § _____ (i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)
City Code § _____

1. As to City Functions, by



Department Head

2. As to Legality, by



City Attorney's Office/CAO Assignment No. 08. 1632

3. As to Environmental
Impact Requirements, by

Director of Planning and Inspection

4. As to Substance, by



City Manager

Revision Date: June 7, 2005